



4004

**ANNUAL REPORT**

OF

Name: LEMONWEIR VALLEY TELEPHONE COMPANY

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Principal Office: 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267  
PO Box Zip Code: 54618

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For the Year Ended: DECEMBER 31, 2003

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TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required, unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, click on the Annual Reports icon, click on Annual Report Programs - Telecommunications, and click the appropriate program for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-113. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest thousand dollars.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated January 29, 2003, as supplemented for the new nonregulated schedules and a request for additional confidential treatment dated April 15, 2004.
13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy of the annual report with the Commission.

## GENERAL RULES FOR REPORTING

### 14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

### 15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

*These documents can be obtained by:*

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://www.wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

**A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.**

### 16. **Changes to the Annual Report Subsequent to Filing:**

If making revisions to the report subsequent to an electronic filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

Revisions to an annual report previously filed on a manual basis also require a new complete manual filing.

## **GENERAL RULES FOR REPORTING**

## SIGNATURE PAGE

I MR. JAMES M. COSTELLO of  
(Person responsible for accounts)

LEMONWEIR VALLEY TELEPHONE COMPANY , certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MR. JAMES M. COSTELLO                      06/24/2004  
(Person responsible for accounts)                      (Date)

GENERAL MANAGER  
(Title)

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## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Feature Group B</b>	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
<b>Feature Group C</b>	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
<b>Feature Group D</b>	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
<b>FX-IN</b>	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
<b>FX-OUT</b>	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
<b>Host Switching System</b>	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.



## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

## ABBREVIATIONS USED IN ANNUAL REPORTS

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
 <b>CO</b>	 .....	 Central Office
 <b>Depr</b>	 .....	 Depreciation
 <b>Equip</b>	 .....	 Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
 <b>FOY</b>	 .....	 First of Year
 <b>Info</b>	 .....	 Information
<b>ITC</b>	.....	Investment Tax Credit
 <b>Misc</b>	 .....	 Miscellaneous
 <b>Nonoper</b>	 .....	 Nonoperating
<b>Nonreg</b>	.....	Nonregulated
 <b>Oper</b>	 .....	 Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
 <b>Prop</b>	 .....	 Property
 <b>Receiv</b>	 .....	 Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
 <b>Svcs</b>	 .....	 Services
 <b>Telecom</b>	 .....	 Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
 <b>Uncoll</b>	 .....	 Uncollectible

## IDENTIFICATION AND OWNERSHIP

**Exact Utility Name:** LEMONWEIR VALLEY TELEPHONE COMPANY  
**Utility Location:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267  
P.O. BOX ZIP 54618

**Utility Web Site Address:** www.lemonweirtel.com

**When was utility organized?:** 01/01/1907

**Report any change in name and the effective date:**

**Telephone numbers for potential customers to contact company:**

Business Customers: (608) 427 - 6515    Ext:

Residential Customers: (608) 427 - 6515    Ext:

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### Primary Utility Contact (located at utility address)

**Name:** MR. JAMES M. COSTELLO  
**Title:** SECRETARY / GENERAL MANAGER

**Office Address:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267

**Fax Number:** (608) 427 - 3438  
**Telephone Number:** (608) 427 - 6515  
**Email Address:** jjmc@mwt.net

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### Officer in charge of correspondence concerning this report

**Name:** MR. JAMES M. COSTELLO  
**Title:** SECRETARY / GENERAL MANAGER

**Office Address:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267

**Fax Number:** (608) 427 - 3438  
**Telephone Number:** (608) 427 - 6515  
**Email Address:** jjmc@mwt.net

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### Individual or firm, if other than utility employee, preparing this report

**Name:** MR. GARY MEIER  
**Title:** CERTIFIED PUBLIC ACCOUNTANT  
**Firm:** SIEPERT & CO. LLP  
**Office Address:** 1920 WEST HART ROAD  
BELOIT, WI 53511

**Fax Number:** (608) 364 - 8727  
**Telephone Number:** (608) 365 - 2266  
**Email Address:** gmeier@siepert.com

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## IDENTIFICATION AND OWNERSHIP

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### Person responsible for financial information contained in report

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**Name:** MR. JAMES M. COSTELLO  
**Title:** SECRETARY / GENERAL MANAGER  
  
**Office Address:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267  
  
**Fax Number:** (608) 427 - 3438  
**Telephone Number:** (608) 427 - 6515  
**Email Address:** jjmc@mwt.net

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### Person responsible for statistical information contained in report

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**Name:** MR. JAMES M. COSTELLO  
**Title:** SECRETARY / GENERAL MANAGER  
  
**Office Address:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267  
  
**Fax Number:** (608) 427 - 3438  
**Telephone Number:** (608) 427 - 6515  
**Email Address:** jjmc@mwt.net

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### Contact person for regulatory inquiries and complaints

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**Name:** MR. JAMES M. COSTELLO  
**Title:** SECRETARY / GENERAL MANAGER  
  
**Office Address:** 127 U.S. HWY 12  
P.O. BOX 267  
CAMP DOUGLAS, WI 54618-0267  
  
**Fax Number:** (608) 427 - 3438  
**Telephone Number:** (608) 427 - 6515  
**Email Address:** jjmc@mwt.net

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List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

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**Name:** NONE  
**Address:** NONE  
NONE, WI 00000

**Number of Shares Held:**  
**Beneficial Owner:** NONE

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### List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

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**Company Name:** LVT CORP.  
**Form of Interest:** EQUITY  
**Extent Of Interest:** 100 % OWNERSHIP

**OFFICERS AND DIRECTORS****Name, Title/Occupation  
and Business Address**

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<b>Name:</b> GARY ROBISON <b>Title/Occupation:</b> PRESIDENT <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>1</b>
<hr/>	
<b>Name:</b> GENIECE SCHROEDER <b>Title/Occupation:</b> TREASURER <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>2</b>
<hr/>	
<b>Name:</b> JAMES BELL <b>Title/Occupation:</b> VICE PRESIDENT <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>3</b>
<hr/>	
<b>Name:</b> JAMES COSTELLO <b>Title/Occupation:</b> SECRETARY / MANAGER <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>4</b>
<hr/>	
<b>Name:</b> JOHN SINGLETON <b>Title/Occupation:</b> DIRECTOR <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>5</b>
<hr/>	
<b>Name:</b> MARLAN NESS <b>Title/Occupation:</b> DIRECTOR <b>Business Address (1):</b> 127 U.S. HWY 12 <b>Business Address (2):</b> P.O. BOX 267 <b>Business Address (3):</b> <b>City State, Zip:</b> CAMP DOUGLAS, WI 54618-0267	<b>6</b>

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## OFFICERS AND DIRECTORS

### Name, Title/Occupation and Business Address

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**Name:** PAUL BERG

**Title/Occupation:** DIRECTOR

**Business Address (1):** 127 U.S. HWY 12

**Business Address (2):** P.O. BOX 267

**Business Address (3):**

**City State, Zip:** CAMP DOUGLAS, WI 54618-0267

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## INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
<b>Operating Revenues</b>			
Operating Revenues (5000-5300)	3,845	3,916	1
<b>Total Operating Revenues</b>	<b>3,845</b>	<b>3,916</b>	
<b>Operating Expenses</b>			
Plant Specific Operations Expenses (6110-6410)	662	395	2
Plant Nonspecific Operations Expense	1,149	1,083	3
Customer Operations Expense (6610-6620)	461	433	4
Corporate Operations Expense (6720-6790)	536	474	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	444	620	7
<b>Total Operating Expenses</b>	<b>3,252</b>	<b>3,005</b>	
<b>Net Operating Income</b>	<b>593</b>	<b>911</b>	
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	628	878	8
Nonoperating Taxes (7400)	17	52	9
Interest and Related Items (7500)	137	97	10
Extraordinary Items (7600)	0	0	11
Nonregulated Net Income (7990)	0	0	12
<b>Total Nonoperating Income</b>	<b>474</b>	<b>729</b>	
<b>Net Income</b>	<b>1,067</b>	<b>1,640</b>	

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. TELEPHONE PLANT IN SERVICE IS RECORDED AT ORIGINAL COST AND DEPRECIATION IS COMPUTED ON THE STRAIGHT-LINE BASIS FOR STATEMENT PURPOSES. THE PROVISION RATES ARE APPLIED TO GROUP ACCOUNT ASSETS FOR COMPUTATION OF ANNUAL DEPRECIATION. RETIREMENTS ARE RECORDED USING AVERAGE UNIT COSTS. MAINTENANCE COSTS ARE EXPENSED AS INCURRED.

- B. REDUCTION OF INCOME TAXES DUE TO INVESTMENT TAX CREDIT IS DEFERRED AND IS BEING AMORTIZED OVER THE SERVICE LIFE OF THE PLANT WHICH CREATED THE CREDIT. THE COMPANY AMORTIZED \$529 AND \$5,583 OF INVESTMENT CREDIT FOR THE YEARS 2003 AND 2002, RESPECTIVELY.

- C. INTEREST IS CAPITALIZED ON ALL MAJOR CONSTRUCTION PROJECTS. INTEREST TOTALLING \$44,224 FOR 2003 AND \$70,018 FOR 2002 WAS CAPITALIZED AT THE COMPANY'S COST OF DEBT FUNDS. PAYROLL TAXES AND EMPLOYEES' INSURANCE COSTS ARE CAPITALIZED ON ALL PLANT ADDITIONS. THIS CAPITALIZATION IS BEING TREATED AS ADDITIONS TO TELEPHONE PLANT FOR BOTH STATEMENT AND TAX PURPOSES.

- D. EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF LONG-TERM DEBT ARE DEFERRED AND WILL BE AMORTIZED OVER THE LIFE OF THE RESPECTIVE DEBT ISSUES ON A STRAIGHT-LINE BASIS.

- E. THE COMPANY HAS A DEFINED CONTRIBUTION PROFIT-SHARING PLAN FOR THE COMPANY EMPLOYEES WHICH IS ADMINISTERED BY A TRUSTEE. CONTRIBUTIONS ARE MADE EACH YEAR BASED ON A PERCENTAGE OF EMPLOYEES WAGES. PROFIT-SHARING EXPENSE AMOUNTED TO \$77,871 FOR 2003 AND \$68,429 FOR 2002.

- F. THE COMPANY HAS A CONTRACT WITH AN AREA SCHOOL DISTRICT TO PROVIDE DISTANCE LEARNING EQUIPMENT. UNDER THE TERMS OF THE CONTRACT, THE COMPANY RECEIVED ADVANCE PAYMENTS OF \$13,869 TO PROVIDE AND MAINTAIN CERTAIN NETWORK EQUIPMENT FOR A THIRTY-FIVE MONTH PERIOD BEGINNING FEBRUARY 5, 2003. THIS PAYMENT WAS DEFERRED AND IS BEING RECOGNIZED AS INCOME OVER THE PERIOD OF THE CONTRACT.

- G. REVENUES ARE RECOGNIZED WHEN EARNED REGARDLESS OF THE PERIOD IN WHICH THEY ARE BILLED.

REVENUE FOR INTRASTATE SERVICES IS RECEIVED THROUGH TARIFFED ACCESS CHARGES AS FILED WITH THE PUBLIC SERVICE COMMISSION OF WISCONSIN. THESE ACCESS CHARGES ARE BILLED TO THE LONG DISTANCE CARRIERS AND RETAINED BY THE COMPANY.

REVENUE FOR INTERSTATE ACCESS SERVICES IS RECEIVED THROUGH TARIFFED ACCESS CHARGES FILED BY THE NATIONAL EXCHANGE CARRIER ASSOCIATION (NECA) WITH THE FEDERAL COMMUNICATIONS COMMISSION (FCC) ON BEHALF OF THE MEMBER COMPANIES. THESE ACCESS CHARGES ARE BILLED BY THE COMPANY TO THE INTERSTATE LONG DISTANCE CARRIERS, AND POOLED WITH LIKE REVENUES FROM ALL NECA MEMBER COMPANIES. THE PORTION OF THE POOLED ACCESS CHARGE REVENUE RECEIVED BY THE COMPANY IS DETERMINED BASED ON NATIONWIDE AVERAGE COST SCHEDULES. EFFECTIVE IN 1994, THE COMPANY IMPLEMENTED EXTENDED COMMUNITY CALLING (ECC) WHICH WAS MANDATED BY THE WISCONSIN PUBLIC SERVICE COMMISSION FOR ALL LOCAL TELEPHONE COMPANIES IN WISCONSIN. ECC EXTENDED THE CALLING AREAS FOR LOCAL EXCHANGE SUBSCRIBERS AND REDUCED THE ACCESS BILLING AND COLLECTION CHARGES TO INTEREXCHANGE TELEPHONE CARRIERS. THE REDUCED REVENUE BEING CHARGED TO INTEREXCHANGE CARRIERS WAS PARTIALLY OFFSET BY



## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

REVENUE BEING CHARGED TO INTEREXCHANGE CARRIERS WAS PARTIALLY OFFSET BY LOCAL SERVICE REVENUE FROM EXTENDED COMMUNITY CALLING.

H. THE COMPANY ACCOUNTS FOR INCOME TAXES UNDER THE PROVISIONS OF THE STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 109, "ACCOUNTING OF INCOME TAXES," ISSUED BY THE FINANCIAL ACCOUNTING STANDARDS BOARD. DUE TO THE REGULATED NATURE OF THE COMPANY'S UTILITY BUSINESS, THE COMPANY RECORDED ANY CHANGE OR ADDITION TO DEFERRED TAXES UNDER THE PROVISIONS OF THE STANDARD AS A REGULATED LIABILITY ACCOUNT. THE REGULATORY ACCOUNT WILL BE CONSIDERED AND AMORTIZED TO INCOME IN THE FUTURE AS DIRECTED BY THE PUBLIC SERVICE COMMISSION OF WISCONSIN. THE COMPANY HAS RECOGNIZED THE FOLLOWING DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES:

DEFERRED INCOME TAXES HAVE BEEN RECORDED ON THE NET UNDISTRIBUTED INCOME FROM THE COMPANY'S INVESTMENT IN COMPUTER SYSTEMS, LLC AND COMMUNICATIONS MANAGEMENT GROUP, LLC. DEFERRED INCOME TAX ASSETS HAVE BEEN RECORDED DUE TO UTILIZING THE DEFERRAL METHOD FOR INVESTMENT TAX CREDIT.

DEFERRED INCOME TAXES HAVE BEEN RECORDED ON THE DISTANCE LEARNING CONTRACT PAYMENTS RECEIVED.

FOR INCOME TAX PURPOSES, THE DEPRECIATION PROVISION IS BASED UPON THE MODIFIED AND ACCELERATED COST RECOVERY SYSTEMS (MACRS AND ACRS) FOR ALL FIXED ASSETS ADDITIONS SUBSEQUENT TO 1980, AND ON THE STRAIGHT-LINE BASIS FOR ALL YEARS PRIOR TO 1981. THIS RESULTED IN INCOME TAX SAVINGS OF \$548,566 FOR 2003 AND \$172,166 FOR 2002. THIS TIMING DIFFERENCE HAS BEEN NORMALIZED FOR BOOK PURPOSES THROUGH INCOME TAX EXPENSE AND DEFERRED INCOME TAX.

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

I. UNDER THE MOST RESTRICTIVE PROVISION OF THE LONG-TERM DEBT AGREEMENT, \$9,491,467 OF RETAINED EARNINGS IS RESTRICTED AGAINST THE PAYMENT OF DIVIDENDS AS OF DECEMBER 31, 2003.

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY	Balance--FOY (000's) (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	1,374	2,434	1
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>1,374</b>	<b>2,434</b>	
<b>RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	23	32	2
Other Accounts Receivable (1190)*	1,056	821	3
Other Receivables (1170)*	1	2	4
Accounts Receivable Allowance-Telecom (1181)*			5
Accounts Receivable Allowance-Other (1191)*			6
Other Allowance for Doubtful Accounts (1171)*			7
<b>TOTAL RECEIVABLES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS</b>	<b>1,080</b>	<b>855</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	51	58	8
<b>TOTAL SUPPLIES</b>	<b>51</b>	<b>58</b>	
<b>PREPAYMENTS</b>			
Prepayments (1280)*	295	447	9
<b>TOTAL PREPAYMENTS</b>	<b>295</b>	<b>447</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*			10
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>2,800</b>	<b>3,794</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Nonregulated Investments (1406)*			11
RTB Class B Stock (1402)*			12
Other Noncurrent Assets (1410)*	5,262	5,001	13
<b>TOTAL INVESTMENTS</b>	<b>5,262</b>	<b>5,001</b>	
<b>DEFERRED CHARGES</b>			
Deferred Maint, Retirements and Other Deferred Charges (1438)*			14
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>OTHER JURISDICTIONAL ASSETS-NET</b>			
Other Jurisdictional Assets-Net (1500)*			15
<b>TOTAL OTHER JURISDICTIONAL ASSETS-NET</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>5,262</b>	<b>5,001</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	15,892	13,009	16
Less: Accumulated Depreciation (3100)*	6,387	7,024	17
Less: Accumulated Amortization-Tangible (3400)*			18
Less: Accumulated Amortization-Capitalized Leases (3410)			19
Less: Accumulated Amortization-Leasehold Improvements (3420)			20
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>9,505</b>	<b>5,985</b>	

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (000's)	Balance--FOY (000's) (c)
<b>PLANT</b>		
<b>PROPERTY HELD FOR FUTURE USE</b>		
Property Held for Future Telecommunications Use (2002)*		21
Less: Accumulated Depr-Held for Future Telecom. Use (3200)*		22
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>
<b>NONOPERATING PLANT</b>		
Nonoperating Plant (2006)*		23
Less: Accumulated Depreciation-Nonoperating (3300)*		24
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>
<b>TPUC</b>		
Telecommunications Plant Under Construction (2003)*		119 25
<b>TOTAL TPUC</b>	<b>0</b>	<b>119</b>
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>		
Telecommunications Plant Adjustment (2005)*		26
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>
<b>GOODWILL</b>		
Goodwill (2007)*		27
<b>TOTAL GOODWILL</b>	<b>0</b>	<b>0</b>
<b>TOTAL PLANT</b>	<b>9,505</b>	<b>6,104</b>
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>17,567</b>	<b>14,899</b>

**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>Balance--EOY (000's) (b)</b>	<b>Balance--FOY (000's) (c)</b>	
<b>CURRENT LIABILITIES</b>			
Notes Payable (4020)*			1
Other Current Accounts and Notes Payable (4000)*	1,628	313	2
Customers' Deposits (4040)*	11	7	3
Income Taxes-Accrued (4070)*			4
Other Taxes-Accrued (4080)*	2	2	5
Net Current Deferred Operating Income Taxes (4100)*			6
Net Current Deferred Nonoperating Income Taxes (4110)*			7
Current Maturities-Long-Term Debt (4050)*	124	118	8
Current Maturities-Capital Leases (4060)*			9
Other Current Liabilities (4130)*	99	22	10
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,864</b>	<b>462</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	1,637	1,764	11
Obligations Under Capital Leases (4250)*			12
Advances from Affiliated Companies (4260)*	0		13
Other Long-Term Debt (4270)*			14
Other Long-Term Debt and Funded Debt (4200)*			15
<b>TOTAL LONG-TERM DEBT</b>	<b>1,637</b>	<b>1,764</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Liabilities and Deferred Credits (4300)*	122		16
Unamortized Operating Investment Tax Credits-Net (4320)*	2	2	17
Unamortized Nonoperating Investment Tax Credits-Net (4330)*			18
Net Noncurrent Deferred Operating Income Taxes (4340)*	818	339	19
Net Deferred Tax Liability Adjustments (4341)*			20
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			21
Deferred Tax Regulatory Adjustments-Net (4361)*	54	54	22
Other Jurisdictional Liabilities and Deferred Credits-Net (4370)*			23
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>996</b>	<b>395</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	437	437	24
Additional Paid-in Capital (4520)*	22	21	25
Treasury Stock (4530)*	25	41	26
Other Capital (4540)*			27
Retained Earnings (4550)*	12,636	11,861	28
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>13,070</b>	<b>12,278</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>17,567</b>	<b>14,899</b>	

## IMPORTANT CHANGES DURING THE YEAR

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1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates. Provide details and dollar amounts for increases and decreases, respectively, by revenue category noted on Operating Revenues schedule.
  2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.
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**ACCOUNTING CHANGE:**

Beginning in 2003 the Company changed its method of accounting for accrued employee vacation time and accumulated sick leave. Vacation time can now be accumulated and carried over, if unused, to a subsequent year. Accumulated sick days up to maximum of 720 days can be used to acquire health and dental insurance upon retirement at the age of 62. The effect of the change was to decrease net income by \$16,361 for 2003. Under generally accepted accounting principles, the cumulative effect of the change on prior years of \$135,441 net of federal and state income taxes of \$53,112 has been shown in the statement of income as a one-time charge to income.

## AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
COMPUTER SYSTEMS, LLC	CS, LLC	1
LVT CORP.	LVT	2

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25 (,000) or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000 (,000), individual contracts or arrangements not exceeding \$100 (,000) may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

<b>Particulars</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>
Docket		3110AT000100	3110AT000100		
Name of Affiliate		CS, LLC	LVT		<b>1</b>
Designate whether billed to or from:		FROM	TO		<b>2</b>
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		M	C		<b>3</b>
Total Dollar Activity (000's)		---CONF---	---CONF---		<b>4</b>
Percent of affiliate's business billed to all affiliated regulated utilities		---CONF---	---CONF---		<b>5</b>
If cost based, rate of return on equity or markup incorporated in billings		---CONF---	---CONF---		<b>6</b>
Footnotes					

**AFFILIATED ASSETS AND LIABILITIES**

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1160, Temporary Investments; 1120, Cash and Equivalents (for other than former account 1160); 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1200, Notes Receivable; 1210, Interest and Dividends Receivable; 1170, Receivables (for other than former accounts 1180, 1190, 1200, and 1210); 1401, Investment in Affiliated Companies; 1408, Sinking Funds; 1410, Other Noncurrent Assets (for other than former accounts 1401 and 1408); 4010, Accounts Payable; 4020, Notes Payable; 4000, Current Accounts and Notes Payable (for other than former accounts 4010 and 4020); 4260, Advances from Affiliated Companies; and 4200, Long Term Debt and Funded Debt (for other than former account 4260). Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "Other" for a particular account.

<b>Name of Affiliate (a)</b>	<b>Account Number (b)</b>	<b>Balance EOY (000's) (c)</b>	
LVT CORP.	1170	---CONF---	<b>1</b>
COMPUTER SYSTEMS, LLC	1410	---CONF---	<b>2</b>
LVT CORP.	1410	---CONF---	<b>3</b>



**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Additions (000's) (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	110		<b>1</b>
Motor Vehicles	2112	168	64	<b>2</b>
Aircraft	2113	0		<b>3</b>
Tools and Other Work Equipment	2114	167	9	<b>4</b>
Buildings	2121	597	1,516	<b>5</b>
Furniture	2122	27	105	<b>6</b>
Office Equipment	2123	34	32	<b>7</b>
General Purpose Computers	2124	156	46	<b>8</b>
<b>NET REG--GENERAL SUPPORT ASSETS:</b>		<b>1,259</b>	<b>1,772</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Non-Digital Switching	2211	0		<b>9</b>
Digital Electronic Switching	2212	2,004	2,478	<b>10</b>
Operator Systems	2220	0		<b>11</b>
Radio Systems	2231	0		<b>12</b>
Circuit Equipment	2232	2,319	17	<b>13</b>
<b>NET REG--CENTRAL OFFICE ASSETS:</b>		<b>4,323</b>	<b>2,495</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		<b>14</b>
Customer Premises Wiring	2321	0		<b>15</b>
Large Private Branch Exchanges	2341	0		<b>16</b>
Public Telephone Terminal Equipment	2351	0		<b>17</b>
Other Terminal Equipment	2362	0		<b>18</b>
<b>NET REG--INFORMATION ORIG/TERM ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>CABLE &amp; WIRE FACILITIES ASSETS</b>				
Poles	2411	18		<b>19</b>
Aerial Cable	2421	65	0	<b>20</b>
Underground Cable	2422	0	0	<b>21</b>
Buried Cable	2423	6,960	288	<b>22</b>
Submarine and Deep Sea Cable	2424	0	0	<b>23</b>
Intrabuilding Network Cable	2426	0	0	<b>24</b>
Aerial Wire	2431	0		<b>25</b>
Conduit Systems	2441	0		<b>26</b>
<b>NET REG--CABLE &amp; WIRE FACILITIES ASSETS:</b>		<b>7,043</b>	<b>288</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		<b>27</b>
Leasehold Improvements	2682	0		<b>28</b>
Intangibles	2690	0		<b>29</b>
Accumulated Amortization - Intangible	3500			<b>30</b>
<b>NET REG--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>	

## TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (000's) (f)	Transfers / Adjustments (000's) (g)	Balance EOY (000's) (h)	
2111			110	1
2112			232	2
2113			0	3
2114			176	4
2121			2,113	5
2122			132	6
2123	0	0	66	7
2124			202	8
	0	0	3,031	
2211			0	9
2212	1,263	0	3,219	10
2220			0	11
2231			0	12
2232	403	0	1,933	13
	1,666	0	5,152	
2311			0	14
2321			0	15
2341			0	16
2351			0	17
2362			0	18
	0	0	0	
2411			18	19
2421	0	0	65	20
2422	0	0	0	21
2423	11	0	7,237	22
2424	0	0	0	23
2426	0	0	0	24
2431			0	25
2441			0	26
	11	0	7,320	
2681			0	27
2682			0	28
2690			0	29
3500			0	30
	0	0	0	

## TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (000's) (c)	Additions (000's) (d)	
<b>NET REG TELECOM. PLANT IN SERVICE</b>		<b>12,625</b>	<b>4,555</b>	
Plus: Allocation to Nonregulated Activity - EOY	2001			<b>31</b>
<b>TOTAL TELECOM. PLANT IN SERVICE - EOY</b>				
Explain all amounts shown in column (g).				

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (000's) (f)</b>	<b>Transfers / Adjustments (000's) (g)</b>	<b>Balance EOY (000's) (h)</b>	
	<b>1,677</b>	<b>0</b>	<b>15,503</b>	
2001			389	<b>31</b>
			<b>15,892</b>	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Additions (000's) (d)</b>	
Office Support Equipment	2123.1	28	10	<b>1</b>
Company Communications Equipment	2123.2	6	22	<b>2</b>
Digital Electronic Switching - Circuit	2212.1	2,004	2,478	<b>3</b>
Digital Electronic Switching - Packet	2212.2	0		<b>4</b>
Circuit Equipment - Electronic	2232.1	2,319	17	<b>5</b>
Circuit Equipment- Optical	2232.2	0		<b>6</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>7</b>
Aerial Cable - Metallic	2421.2	65		<b>8</b>
Underground Cable - Nonmetallic	2422.1	0		<b>9</b>
Underground Cable - Metallic	2422.2	0		<b>10</b>
Buried Cable - Nonmetallic	2423.1	1,923	22	<b>11</b>
Buried Cable - Metallic	2423.2	5,037	266	<b>12</b>
Sub. and Deep Sea Cable - Nonmetallic	2424.1	0		<b>13</b>
Submarine and Deep Sea Cable - Metallic	2424.2	0		<b>14</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>15</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>16</b>

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**  
(cont.)

<b>Subaccount (e)</b>	<b>Retirements (000's) (f)</b>	<b>Transfers / Adjustments (000's) (g)</b>	<b>Balance EOY (000's) (h)</b>	
2123.1			38	1
2123.2			28	2
2212.1	1,263		3,219	3
2212.2			0	4
2232.1	403		1,933	5
2232.2			0	6
2421.1			0	7
2421.2			65	8
2422.1			0	9
2422.2			0	10
2423.1			1,945	11
2423.2	11		5,292	12
2424.1			0	13
2424.2			0	14
2426.1			0	15
2426.2			0	16

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (000's) (e)</b>	<b>Additional Accrual (000's) (f)</b>	
<b>GENERAL SUPPORT ASSETS</b>						
Motor Vehicles	2112	86	17.2600	26		1
Aircraft	2113	0				2
Tools and Other Work Equipment	2114	112	10.0000	17		3
Buildings	2121	385	3.3000	39		4
Furniture	2122	19	10.0000	7		5
Office Equipment	2123	34	20.0000	4	0	6
General Purpose Computers	2124	146	25.0000	34		7
<b>NET REG--GENERAL SUPPORT ASSETS</b>		<b>782</b>		<b>127</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>						
Non-Digital Switching	2211	0				8
Digital Electronic Switching	2212	1,822	10.0000	269	0	9
Operator Systems	2220	0				10
Radio Systems	2231	0				11
Circuit Equipment	2232	1,121	11.6000	225	0	12
<b>NET REG--CENTRAL OFFICE ASSETS</b>		<b>2,943</b>		<b>494</b>	<b>0</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>						
Station Apparatus	2311	0				13
Customer Premises Wiring	2321	0				14
Large Private Branch Exchanges	2341	0				15
Public Telephone Terminal Equipment	2351	0				16
Other Terminal Equipment	2362	0				17
<b>NET REG--INFORMATION ORIG/TERM ASSETS</b>		<b>0</b>		<b>0</b>	<b>0</b>	
<b>CABLE &amp; WIRE FACILITIES ASSETS</b>						
Poles	2411	18	11.7000			18
Aerial Cable	2421	51	6.3000	4	0	19
Underground Cable	2422	0		0	0	20
Buried Cable	2423	3,105	5.3000	398	0	21
Submarine and Deep Sea Cable	2424	0		0	0	22
Intrabuilding Network Cable	2426	0		0	0	23
Aerial Wire	2431	0				24
Conduit Systems	2441	0				25
<b>NET REG--CABLE &amp; WIRE FACILITIES ASSETS</b>		<b>3,174</b>		<b>402</b>	<b>0</b>	
<b>Net Reg Accumulated Depreciation</b>		<b>6,899</b>		<b>1,023</b>	<b>0</b>	
Plus: Nonreg Accumulated Depreciation	3100			18	0	26
<b>Total Accumulated Depreciation</b>				<b>1,041</b>	<b>0</b>	
<b>Columns e. f and I</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

Acct (g)	Retired (000's) (h)	Cost of Removal (000's) (i)	Salvage (000's) (j)	Other (000's) (k)	Balance EOY (000's) (l)	
2112	0				112	1
2113	0				0	2
2114	0				129	3
2121	0				424	4
2122	0				26	5
2123	0	0	0	0	38	6
2124	0				180	7
	0	0	0	0	909	
2211	0				0	8
2212	1,263	0	0	0	828	9
2220	0				0	10
2231	0				0	11
2232	403	0	0	0	943	12
	1,666	0	0	0	1,771	
2311	0				0	13
2321	0				0	14
2341	0				0	15
2351	0				0	16
2362	0				0	17
	0	0	0	0	0	
2411	0				18	18
2421	0	0	0	0	55	19
2422	0	0	0	0	0	20
2423	11	1	0	0	3,491	21
2424	0	0	0	0	0	22
2426	0	0	0	0	0	23
2431	0				0	24
2441	0				0	25
	11	1	0	0	3,564	
	1,677	1	0	0	6,244	
3100						26
					6,244	



**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount or subsidiary record. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (000's) (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (000's) (e)</b>	<b>Additional Accrual (000's) (f)</b>
Office Support Equipment	2123.1	28	20.0	2	<b>1</b>
Company Communications Equipment	2123.2	6	20.0	2	<b>2</b>
Digital Electronic Switching - Circuit	2212.1	1,822	10.0	269	<b>3</b>
Digital Electronic Switching - Packet	2212.2	0			<b>4</b>
Circuit Equipment - Electronic	2232.1	1,121	11.6	225	<b>5</b>
Circuit Equipment- Optical	2232.2	0			<b>6</b>
Aerial Cable - Nonmetallic	2421.1	0			<b>7</b>
Aerial Cable - Metallic	2421.2	51	6.3	4	<b>8</b>
Underground Cable - Nonmetallic	2422.1	0			<b>9</b>
Underground Cable - Metallic	2422.2	0			<b>10</b>
Buried Cable - Nonmetallic	2423.1	396	5.3	51	<b>11</b>
Buried Cable - Metallic	2423.2	2,709	5.8	347	<b>12</b>
Sub. and Deep Sea Cable - Nonmetallic	2424.1	0			<b>13</b>
Submarine and Deep Sea Cable - Metallic	2424.2	0			<b>14</b>
Intrabuilding Cable - Nonmetallic	2426.1	0			<b>15</b>
Intrabuilding Cable - Metallic	2426.2	0			<b>16</b>

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

<b>Subacct (g)</b>	<b>Retired (000's) (h)</b>	<b>Cost of Removal (000's) (i)</b>	<b>Salvage (000's) (j)</b>	<b>Other (000's) (k)</b>	<b>Balance EOY (000's) (l)</b>	
2123.1	0				30	1
2123.2	0				8	2
2212.1	1,263				828	3
2212.2	0				0	4
2232.1	403				943	5
2232.2	0				0	6
2421.1	0				0	7
2421.2	0				55	8
2422.1	0				0	9
2422.2	0				0	10
2423.1	0				447	11
2423.2	11	1			3,044	12
2424.1	0				0	13
2424.2	0				0	14
2426.1	0				0	15
2426.2	0				0	16

### RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
Balance-First of Year	11,861	10,432	1 A
<b>Changes:</b>			
Balance Transferred from Income	1,067	1,640	2
<b>Dividends Declared:</b>			
Common	210	211	3
Preferred		0	4
<b>Total Dividends Declared</b>	<b>210</b>	<b>211</b>	
Miscellaneous Debits to Retained Earnings	82	0	5
Miscellaneous Credits to Retained Earnings		0	6
<b>Balance--End of Year</b>	<b><u>12,636</u></b>	<b><u>11,861</u></b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	This Year (000's) (b)	Last Year (000's) (c)	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	745	791	1
Basic Area Revenue (5001)			2
Private Line Revenue (5040)			3
Other Basic Area Revenue (5060)			4
<b>TOTAL LOCAL NETWORK SERVICES REVENUES</b>	<b>745</b>	<b>791</b>	
<b>INTERSTATE NETWORK ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	333	306	5
Switched Access Revenue (5082)*	500	593	6
Special Access Revenue (5083)*	841	801	7
<b>TOTAL INTERSTATE NETWORK ACCESS SERVICES REV.</b>	<b>1,674</b>	<b>1,700</b>	
<b>INTRASTATE NETWORK ACCESS SERVICES REV.</b>			
End User Revenue (5081)*			8
Switched Access Revenue (5082)*	397	437	9
Special Access Revenue (5083)*	824	840	10
<b>TOTAL INTRASTATE NETWORK ACCESS SERVICES REV.</b>	<b>1,221</b>	<b>1,277</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*			11
<b>TOTAL LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>	<b>0</b>	<b>0</b>	
<b>MISCELLANEOUS &amp; NONREGULATED REVENUES</b>			
Miscellaneous Revenue (5200)*	---CONF---	---CONF---	12
Directory Revenue (5230)	---CONF---	---CONF---	13
Nonregulated Operating Revenue (5280)*	---CONF---	---CONF---	14
<b>TOTAL MISCELLANEOUS &amp; NONREGULATED REVENUES</b>	<b>292</b>	<b>306</b>	
<b>GROSS OPERATING REVENUES</b>	<b>3,932</b>	<b>4,074</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	87	158	15 c
<b>TOTAL UNCOLLECTIBLE REVENUES</b>	<b>87</b>	<b>158</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>3,845</b>	<b>3,916</b>	

**EXPENSES - CLASS A & B**

<b>Particulars (a)</b>	<b>Total This Year (000's) (b)</b>	<b>Total Last Year (000's) (c)</b>	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Net Reg Network Support Expense (6110)	5	1	1
Net Reg General Support Expense (6120)	100	45	2 D
Net Reg Central Office Switching Expense (6210)	222	186	3
Net Reg Operator Systems Expense (6220)			4
Net Reg Central Office Transmission Expenses (6230)	30	13	5 E
Net Reg Information Orig. / Term. Expense (6310)			6
Net Reg Cable and Wire Facilities Expense (6410)	294	136	7 F
<b>NET REGULATED</b>	<b>651</b>	<b>381</b>	
<b>PLUS: NONREGULATED</b>	<b>11</b>	<b>14</b>	8
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>662</b>	<b>395</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Net Reg Other Property, Plant and Equip. Exp. (6510)	2	2	9
Net Reg Network Operations Expense (6530)	105	63	10 G
Net Reg Access Expense (6540)			11
Net Reg Depreciation and Amortization Expense (6560)	1,024	997	12
<b>NET REGULATED</b>	<b>1,131</b>	<b>1,062</b>	
<b>PLUS: NONREGULATED</b>	<b>18</b>	<b>21</b>	13
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXPENSE</b>	<b>1,149</b>	<b>1,083</b>	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Net Reg Marketing (6610)	17	14	14
Net Reg Services (6620)	418	390	15
<b>NET REGULATED</b>	<b>435</b>	<b>404</b>	
<b>PLUS: NONREGULATED</b>	<b>26</b>	<b>29</b>	16
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>461</b>	<b>433</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>			
Net Reg General and Administrative (6720)	520	447	17
Net Reg Provision for Uncollectible Notes Receiv. (6790)			18
<b>NET REGULATED</b>	<b>520</b>	<b>447</b>	
<b>PLUS: NONREGULATED</b>	<b>16</b>	<b>27</b>	19
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>536</b>	<b>474</b>	
<b>NET REGULATED</b>	<b>2,737</b>	<b>2,294</b>	
<b>PLUS: NONREGULATED</b>	<b>71</b>	<b>91</b>	
<b>TOTAL EXPENSES</b>	<b>2,808</b>	<b>2,385</b>	

### EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (000's) (b)	Total Last Year (000's) (c)	
Property Held for Future Tele. Use Exp. ( 6511 )			1
Provisioning Expense ( 6512 )	2	2	2
<b>NET REG: Reported in Account 6510</b>	<b>2</b>	<b>2</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	1,024	997	3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )			4
Amortization Expense--Tangible ( 6563 )			5
Amortization Expense--Intangible ( 6564 )			6
Amortization Expense--Other ( 6565 )			7
<b>NET REG: Reported in Account 6560</b>	<b>1,024</b>	<b>997</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (000's) (b)	
Gross Operating Revenues	3,932	1
Plus: Collection of amounts previously written off	40	2
Less: Uncollectibles written off during the year	127	3
Plus: Total Net Reg. Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	100	5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>3,745</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (000's) (b)	
Total Basic Local Service Revenue (5000)	745	1
Plus: Total Intrastate Access Revenues (5081-5083)	1,221	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify):	---CONF---	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>---CONF---</b>	

**OTHER INCOME ACCOUNTS**

<b>Particulars (a)</b>	<b>This Year (000's) (b)</b>	<b>Last Year (000's) (c)</b>	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Net Reg Other Operating Income and (Expense) (7100)			1
<b>NET REGULATED</b>	<b>0</b>	<b>0</b>	
<b>PLUS: NONREGULATED</b>	<b>0</b>	<b>0</b>	2
<b>TOTAL OTHER OPERATING INCOME AND EXPENSE (7100)</b>	<b>0</b>	<b>0</b>	
<b>OPERATING TAXES</b>			
Net Reg Operating Investment Tax Credits--Net (7210)	(1)	(6)	3
Net Reg Operating Federal Income Taxes (7220)	(290)	206	4
Net Reg Operating State and Local Income Taxes (7230)	37	116	5
Net Reg Operating Other Taxes (7240)	141	119	6
Net Reg Provision for Deferred Operating Income Taxes--Net (7250)	546	174	7
<b>NET REGULATED</b>	<b>433</b>	<b>609</b>	
<b>PLUS: NONREGULATED</b>	<b>11</b>	<b>11</b>	8
<b>TOTAL OPERATING TAXES (7200)</b>	<b>444</b>	<b>620</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Net Reg Dividend Income (7310)		9	9
Net Reg Interest Income (7320)	48	88	10
Net Reg Income from Sinking and Other Funds (7330)			11
Net Reg Allowance for Funds Used During Construction (7340)	44	70	12
Net Reg Gains or (Losses) from the Disposition of Certain Property (7350)			13
Net Reg Other Nonoperating Income (7360)	547	713	14
Net Reg Special Charges (7370)	11	2	15
<b>NET REGULATED</b>	<b>628</b>	<b>878</b>	
<b>PLUS: NONREGULATED</b>	<b>0</b>	<b>0</b>	16
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)</b>	<b>628</b>	<b>878</b>	
<b>NONOPERATING TAXES</b>			
Net Reg Nonoperating Taxes (7400)	17	52	17
<b>NET REGULATED</b>	<b>17</b>	<b>52</b>	
<b>PLUS: NONREGULATED</b>	<b>0</b>	<b>0</b>	18
<b>TOTAL NONOPERATING TAXES (7400)</b>	<b>17</b>	<b>52</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Net Reg Interest and Related Items (7500)	137	97	19
<b>NET REGULATED</b>	<b>137</b>	<b>97</b>	
<b>PLUS: NONREGULATED</b>	<b>0</b>	<b>0</b>	20
<b>TOTAL INTEREST AND RELATED ITEMS (7500)</b>	<b>137</b>	<b>97</b>	
<b>EXTRAORDINARY ITEMS</b>			
Net Reg Extraordinary Items (7600)			21
<b>NET REGULATED</b>	<b>0</b>	<b>0</b>	
<b>PLUS: NONREGULATED</b>	<b>0</b>	<b>0</b>	22
<b>TOTAL EXTRAORDINARY ITEMS (7600)</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)			23
<b>TOTAL NONREGULATED NET INCOME (7990)</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NET REGULATED</b>	<b>1,215</b>	<b>1,636</b>	
<b>TOTAL NONREGULATED</b>	<b>11</b>	<b>11</b>	
<b>TOTAL OTHER INCOME ACCOUNTS</b>	<b>1,226</b>	<b>1,647</b>	



## NONREGULATED ACCUMULATED DEPRECIATION

Plant Account (a)	Acct (b)	Annual Accrual (000's) (c)	Additonal Accrual (000's) (d)	Balance EOY (000's) (e)	
---CONF---	-CONF-	---CONF---	---CONF---	---CONF---	1
---CONF---	-CONF-	---CONF---	---CONF---	---CONF---	2
---CONF---	-CONF-	---CONF---	---CONF---	---CONF---	3
---CONF---	-CONF-	---CONF---	---CONF---	---CONF---	4
<b>Total Nonregulated Accumulated Depreciation</b>		<b>18</b>	<b>0</b>	<b>143</b>	

**NONREGULATED INCOME STATEMENT**

<b>Particulars (a)</b>	<b>This Year (000's) (b)</b>	<b>Last Year (000's) (c)</b>	
<b>NONREGULATED REVENUES</b>			
Nonregulated Operating Revenue (5280)	---CONF---	---CONF---	<b>1</b>
<b>NONREGULATED EXPENSES</b>			
<b>Plant Specific Operations Expense</b>			
Nonregulated Network Support Expense (6110)	---CONF---	---CONF---	<b>2</b>
Nonregulated General Support Expense (6120)	---CONF---	---CONF---	<b>3</b>
Nonregulated Central Office Switching Expense (6210)	---CONF---	---CONF---	<b>4</b>
Nonregulated Operator Systems Expense (6220)	---CONF---	---CONF---	<b>5</b>
Nonregulated Central Office Transmission Expense (6230)	---CONF---	---CONF---	<b>6</b>
Nonregulated Information Orig./Term. Expense (6310)	---CONF---	---CONF---	<b>7</b>
Nonregulated Cable and Wire Facilities Expense (6410)	---CONF---	---CONF---	<b>8</b>
<b>Total Nonregulated Plant Specific Operations Expense</b>	<b>11</b>	<b>14</b>	
<b>Plant Nonspecific Operations Expense</b>			
Nonregulated Other Property, Plant and Equip. Exp (6510)	---CONF---	---CONF---	<b>9</b>
Nonregulated Network Operations Expense (6530)	---CONF---	---CONF---	<b>10</b>
Nonregulated Access Expense (6540)	---CONF---	---CONF---	<b>11</b>
Nonregulated Depreciation and Amortization Expense (6560)	---CONF---	---CONF---	<b>12</b>
<b>Total Nonregulated Plant Nonspecific Operations Expense</b>	<b>18</b>	<b>21</b>	
<b>Customer Operations Expense</b>			
Nonregulated Marketing (6610)	---CONF---	---CONF---	<b>13</b>
Nonregulated Services (6620)	---CONF---	---CONF---	<b>14</b>
<b>Total Nonregulated Customer Operations Expense</b>	<b>26</b>	<b>29</b>	
<b>Corporate Operations Expense</b>			
Nonregulated General and Administrative (6720)	---CONF---	---CONF---	<b>15</b>
Nonregulated Provision for Uncollectible Notes Receivable (6790)	---CONF---	---CONF---	<b>16</b>
<b>Total Nonregulated Corporate Operations Expense</b>	<b>16</b>	<b>27</b>	
<b>TOTAL NONREGULATED EXPENSES (Excluding Other Income Accts.)</b>	<b>71</b>	<b>91</b>	
<b>OTHER NONREGULATED INCOME ACCOUNTS</b>			
Nonregulated Other Operating Income and Expense (7100)			<b>17</b>
Nonregulated Operating Taxes (7200)	11	11	<b>18</b>
Nonregulated Nonoperating Income and Expense (7300)			<b>19</b>
Nonregulated Nonoperating Taxes (7400)			<b>20</b>
Nonregulated Interest and Related Items (7500)			<b>21</b>
Nonregulated Extraordinary Items (7600)			<b>22</b>
<b>NONREGULATED NET INCOME</b>	<b>18</b>	<b>17</b>	

## NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
---CONF---	1
---CONF---	2
---CONF---	3

## NONREGULATED INVESTMENTS

Particulars (a)	Balance EOY (000's) (b)	
Telecommunications Plant in Service - Allocation to Nonregulated Activity	389	1
Accumulated Depreciation - Allocation to Nonregulated Activity	143	2
Telecommunications Plant Under Construction - Allocation to Nonregulated Activity	---CONF---	3
Inventories - Allocation to Nonregulated Activity	---CONF---	4
Net Deferred Operating Income Taxes - Allocation to Nonregulated Activity	---CONF---	5
<b>Net Nonregulated Investments</b>	<b>---CONF---</b>	

## NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE

Plant Account (a)	Account (b)	Balance EOY (000's) (c)	
---CONF---	---CONF---	---CONF---	1
---CONF---	---CONF---	---CONF---	2
---CONF---	---CONF---	---CONF---	3
---CONF---	---CONF---	---CONF---	4
---CONF---	---CONF---	---CONF---	5
<b>TOTAL NONREGULATED TELECOMMUNICATIONS PLANT IN SERVICE</b>		<b>389</b>	

**EMPLOYEE DATA - END OF YEAR**

Report employee data based on primary allocation of respective wages and salaries.

<b>Particulars (a)</b>	<b>Employees (b)</b>	
<b>Plant Operations</b>		
Supervisory & Management	2	1
Central Office	1	2
Outside Plant	4	3
Building & Service	1	4
Other	2	5
<b>Customer Operations</b>		
Supervisory & Management		6
Operators		7
Business Office	4	8
Other		9
<b>Corporate Operations</b>		
Executive & General Management	2	10
Accounting & Finance	1	11
External Relations	1	12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
<b>Other</b>		
All Other Employees, Not Listed Above		19
<b>Total Employees</b>	<b>18</b>	
Part-Time Employees	2	20
Full-Time Employees	16	21
<b>Total Part-Time and Full-Time Employees</b>	<b>18</b>	

## TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange	---CONF---	---CONF---	1
Extended Area Service	---CONF---	---CONF---	2
Extended Community Calling	---CONF---	---CONF---	3
Other Local-Undefined	---CONF---	---CONF---	4
<b>Total Local</b>	<b>296</b>	<b>1,632</b>	
<b>TOLL</b>			
Toll	250	899	5
<b>Total Toll</b>	<b>250</b>	<b>899</b>	
<b>Total Local &amp; Toll</b>	<b>546</b>	<b>2,531</b>	

## ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	1
Feature Group A -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	2
Feature Group B -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	3
Feature Group B -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	4
Feature Group C -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	5
Feature Group C -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	6
Feature Group D -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	7
Feature Group D -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	8



## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	113	1
Strand miles of plant - fiber optics	2,737	2
Route miles of plant - microwave		3

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1
56 kbps	---CONF---	---CONF---	2
64 kbps (DS0)	---CONF---	---CONF---	3 B
1.54 Mbps (DS-1)	---CONF---	---CONF---	4
45 Mbps (DS-3)	---CONF---	---CONF---	5 B
SONET OC-1	---CONF---	---CONF---	6
SONET OC-3	---CONF---	---CONF---	7
SONET OC-12	---CONF---	---CONF---	8
SONET OC-48	---CONF---	---CONF---	9
SONET OC-192	---CONF---	---CONF---	10

**SERVICE DATA**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	---CONF---	---CONF---	3
2 Party	---CONF---	---CONF---	4
4 Party	---CONF---	---CONF---	5
PBX Trunks/System Trunks	---CONF---	---CONF---	6
Centrex Trunks	---CONF---	---CONF---	7
Centrex Lines	---CONF---	---CONF---	8
Key System Trunks	---CONF---	---CONF---	9
Mobile (Utility Provided Service)	---CONF---	---CONF---	10
Paging (Utility Provided Service)	---CONF---	---CONF---	11
FX-Out (Switched)	---CONF---	---CONF---	12
Pay Telephone	---CONF---	---CONF---	13
Coin-Operated Pay Telephone	---CONF---	---CONF---	14
Independent Pay Telephone Provider	---CONF---	---CONF---	15
Other	---CONF---	---CONF---	16
<b>Total Business Lines</b>	<b>976</b>	<b>946</b>	17
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	---CONF---	---CONF---	19
2 Party	---CONF---	---CONF---	20
4 Party	---CONF---	---CONF---	21
FX-Out (Switched)	---CONF---	---CONF---	22
Other	---CONF---	---CONF---	23
<b>Total Residential Lines</b>	<b>2,840</b>	<b>2,757</b>	24
<b>Total Bus &amp; Res Lines</b>	<b>3,816</b>	<b>3,703</b>	25
Company Used Lines	45	51	26
<b>Total Lines Used</b>	<b>3,861</b>	<b>3,754</b>	27

**SERVICE DATA (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS	---CONF---	---CONF---	3
WATS Lines - 800 Service	---CONF---	---CONF---	4
FX-In-intraLATA	---CONF---	---CONF---	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	---CONF---	---CONF---	7
Special Access-interLATA			8
(expressed in equiv. access lines)	---CONF---	---CONF---	9
Feature Group A Lines	---CONF---	---CONF---	10
Feature Group B Trunks	---CONF---	---CONF---	11
Feature Group C Trunks	---CONF---	---CONF---	12
Feature Group D Trunks	---CONF---	---CONF---	13
TSPS - Trunks	---CONF---	---CONF---	14
EAS and ECC - Trunks	192	192	15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	16
Video Distance Learning	672	672	17
- discounted (special tariff)			18
<b>Customers</b>			
Number of Lifeline customers at FOY (January 1, 2003)			19
and EOY (December 31, 2003):	65	88	20
Number of Linkup customers connected during			21
FOY (Calendar year 2002) and EOY (Calendar year 2003):	0	0	22
<b>Other</b>			
Total Company Square Miles	200	200	23
Total Company Route Miles	630	631	24
Footnotes			25
			26

**SERVICE DATA - END OF YEAR**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0910	3780			1
<b>Business</b>					2
1 Party	---CONF---	---CONF---			3
2 Party	---CONF---	---CONF---			4
4 Party	---CONF---	---CONF---			5
PBX Trunks/System Trunks	---CONF---	---CONF---			6
Centrex Trunks	---CONF---	---CONF---			7
Centrex Lines	---CONF---	---CONF---			8
Key System Trunks	---CONF---	---CONF---			9
Mobile (utility provided service)	---CONF---	---CONF---			10
Paging (utility provided service)	---CONF---	---CONF---			11
FX-Out (Switched)	---CONF---	---CONF---			12
Pay Telephone	---CONF---	---CONF---			13
Coin-Operated Pay Telephone	---CONF---	---CONF---			14
Independent Pay Telephone Provider	---CONF---	---CONF---			15
Other	---CONF---	---CONF---			16
<b>Total Business Lines</b>	---CONF---	---CONF---	0	0	17
<b>Residential (Incl. Emp. Concess.)</b>					18
1 Party	---CONF---	---CONF---			19
2 Party	---CONF---	---CONF---			20
4 Party	---CONF---	---CONF---			21
FX-Out (Switched)	---CONF---	---CONF---			22
Other	---CONF---	---CONF---			23
<b>Total Residential Lines</b>	---CONF---	---CONF---	0	0	24
<b>Total Bus &amp; Res Lines</b>	---CONF---	---CONF---	0	0	25
Company Used Lines	---CONF---	---CONF---			26
<b>Total Lines Used</b>	---CONF---	---CONF---	0	0	27

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

<b>Item (a)</b>	<b>Exchange (b)</b>	<b>Exchange (c)</b>	<b>Exchange (d)</b>	<b>Exchange (e)</b>	
PSCW Exchange ID	0910	3780			1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS	---CONF---	---CONF---			3
WATS Lines - 800 Service	---CONF---	---CONF---			4
FX-In-intraLATA	---CONF---	---CONF---			5
Special Access-intraLATA					6
(equiv. access lines)	---CONF---	---CONF---			7
Special Access-interLATA					8
(equiv. access lines)	---CONF---	---CONF---			9
Feature Group A Lines	---CONF---	---CONF---			10
Feature Group B Trunks	---CONF---	---CONF---			11
Feature Group C Trunks	---CONF---	---CONF---			12
Feature Group D Trunks	---CONF---	---CONF---			13
TSPS - Trunks	---CONF---	---CONF---			14
EAS and ECC - Trunks	---CONF---	---CONF---			15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---			16
Video Distance Learning					17
- discounted (special tariff)	---CONF---	---CONF---			18
<b>Other</b>					19
Exchange Square Miles	---CONF---	---CONF---			20
Exchange Route Miles	---CONF---	---CONF---			21
Footnotes					22

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	CAMP DOUGLAS	NEW LISBON			1
PSCW Exchange ID	0910	3780			2
Central Office Name	CAMP DOUGLAS	NEW LISBON			3
PSCW Central Office ID	1	1			4
Central Office CLLI Code	CPDGWIXACGO	NWLSWIXA562			5
Manufacturer of COE (Page 54)	SI	SI			6
Year COE Installed	2003	2003			7
Type of Equipment (Page 54)	A	D			8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	H	R			9
Remote Host PSCW Exchange ID		0910			10
Remote Host PSCW Central Office ID	0	1			11
COE Generic Software Release No.	20	1			12
SS7?	Yes	Yes			13
9-1-1?	Yes	Yes			14
Access Lines - In Use	---CONF---	---CONF---			15
- Equipped	---CONF---	---CONF---			16
- Wired	---CONF---	---CONF---			17
Trunks - In Use	---CONF---	---CONF---			18
- Equipped	---CONF---	---CONF---			19
- Wired	---CONF---	---CONF---			20
ISDN Available?	Yes	Yes			21
ISDN Lines - In Use (BRI)	---CONF---	---CONF---			22
- In Use (PRI)	---CONF---	---CONF---			23
XDSL Available?	No	No			24
- In Use (# lines)	---CONF---	---CONF---			25
Switched 56 Service?	No	No			26
Switched 56 lines in use	---CONF---	---CONF---			27
Digital Transmission Facilities: DS-1 - In Use	---CONF---	---CONF---			28
DS-3 - In Use	---CONF---	---CONF---			29
Advanced Data Service Available:					
Packet Switching?	No	No			30
SMDS?	No	No			31
Frame Relay?	No	No			32
ATM (Asynchronous Trans. Mode)?	No	No			33
Video Information - Service Available?	No	No			34
- In Use (# lines) <sup>1</sup>	---CONF---	---CONF---			35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	---CONF---	---CONF---			36
No. of fiber strands working (LIT) in C.O.	---CONF---	---CONF---			37
No. of fiber strands for interoffice use	---CONF---	---CONF---			38
Miles of fiber sheath in wire center	---CONF---	---CONF---			39
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON	MADISON			40
- PSCW C.O. ID	3080-01	3080-01			41
Does this C.O. do access tandem switching?	No	No			42
Footnotes					43

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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### General Footnote

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### Schedule Footnotes

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### Schedule Line Footnotes

- A)** BEGINNING IN 2003 THE COMPANY CHANGED ITS METHOD OF ACCOUNTING FOR ACCRUED EMPLOYEE VACATION TIME AND ACCUMULATED SICK LEAVE. VACATION TIME CAN NOW BE ACCUMULATED AND CARRIER OVER, IF UNUSED, TO A SUBSEQUENT YEAR. ACCUMULATED SICK DAYS UP TO MAXIMUM OF 720 DAYS CAN BE USED TO ACQUIRE HEALTH AND DENTAL INSURANCE UPON RETIREMENT AT THE AGE OF 62. THE EFFECT OF THE CHANGE WAS TO DECREASE NET INCOME BY \$16,361 FOR 2003. UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, THE CUMULATIVE EFFECT OF THE CHANGE ON PRIOR YEARS OF \$135,441 NET OF FEDERAL AND STATE INCOME TAXES OF \$53,112 HAS BEEN SHOWN IN THE STATEMENT OF INCOME AS A ONE-TIME CHARGE TO INCOME.
- B)** PAGE 49 - SPECIAL ACCESS CIRCUITS - TELEPHONE COMPANY DOES NOT HAVE ANY 64 KBPS OR 45 MBPS CIRCUITS AT THE END OF 2003.
- C)** PAGE 40 - UNCOLLECTIBLE REVENUE - DECREASE DUE TO WRITE-OFF OF GLOBAL CROSSING AND WORLDCOM ACCOUNTS IN 2002 WITH COLLECTIONS OF AMOUNTS PREVIOUSLY WRITTEN OFF IN 2003.
- D)** PAGE 41 - GENERAL SUPPORT EXPENSE - INCREASE DUE TO ADDITIONAL LABOR AND BENEFITS CHARGES DURING 2003 DUE TO ADDITIONAL PLANT PERSONNEL AND WORK BEING DONE AROUND THE NEW BUILDING.
- E)** PAGE 41 - CENTRAL OFFICE TRANSMISSION EXPENSE - INCREASE DUE TO ADDITIONAL SUBSCRIBER CARRIER EXPENSE.
- F)** PAGE 40 - CABLE AND WIRE FACILITIES EXPENSE - INCREASE DUE TO PURCHASE OF PLANT MAPPING SOFTWARE AND RELATED MAPPING EXPENSES.
- G)** PAGE 40 - NETWORK OPERATIONS EXPENSE - INCREASE DUE TO ADDITIONAL GENERAL ENGINEERING CHARGES WHICH IS NOW BEING CLEARED TO PLANT ACCOUNTS AS APPROPRIATE.



## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

**H) Board of Directors**  
Lemonweir Valley Telephone Company  
Camp Douglas, Wisconsin

The Balance Sheets of Lemonweir Valley Telephone Company as of December 31, 2003 and 2002 and the related statements of income and retained earnings for the years then ended included in the accompanying prescribed forms have been compiled by us. We have also compiled the financial and non-financial data included on page 9 and pages 13 through 56 of the prescribed forms.

Our compilations were limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information that is the representation of management. We have not audited or reviewed the financial statements or accompanying data referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Service Commission of Wisconsin and do not include the statements of cash flows and all of the disclosures required by generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SIEPERT & CO. LLP  
Certified Public Accountants

Beloit, Wisconsin

June 24, 2004